



David A. Cook, Commissioner

Nathan Deal, Governor

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MEMORANDUM

Date: June 14, 2013

To: Chief Executive Officer
Chief Financial Officer

From: John Upchurch
Director, Reimbursement Services
Division of Financial Management

Subject: SFY 2013 Hospital UPL 1st thru 3rd Quarters Adjustment
SFY 2013 Hospital UPL Payment for 4th Quarter
SFY 2013 Disproportionate Share Hospital (DSH) Payments

BY FACSIMILE AND MAIL

The Department has received approval from the federal Centers for Medicare and Medicaid Services (CMS) to proceed with issuing Upper Payment Limit (UPL) payments to hospitals for State Fiscal Year 2013. Information about the schedule of events, notice of intent, UPL payment amount and intergovernmental transfer, if applicable, are enclosed and will be provided on the Department's web site at www.dch.georgia.gov by selecting options for "Providers", "Provider Types", "Hospital Providers", and "Hospital Supplemental Reimbursement". UPL calculations were based on 2010 HS&R report data and hospital 2010 cost report data.

Please note that an error was found in the interim hospital outpatient UPL calculations for SFY2013 for the 1st through 3rd quarters. Line 41 of the calculation should represent the allocation of charge limits by provider pools, but instead reflected the annual facility specific UPL limit. This resulted in the outpatient payment being double what should have been paid. The recoupment of the overpayment of outpatient UPL will be offset against inpatient UPL and DSH. We apologize for any inconvenience this issue may have caused.

Additionally, the 4th quarter SFY 2013 UPL payment and the final DSH payment for SFY2013 are being combined into one payment. Your UPL and DSH Intergovernmental Transfer (IGT) payments to the Department will also be combined. By combining the DSH and UPL amounts, most hospitals will still receive a net payment and the Department will not have to recoup funds related to the UPL overpayment.

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Data related to final DSH eligibility and payment data for SFY 2013 is also available on the Department's web site at www.dch.georgia.gov by selecting options for "Providers", "Provider Types", "Hospital Providers", and "Indigent Care Trust Fund". Please note that the final DSH data will present some changes from the preliminary data previously posted on the Department's web site in January 2013.

As indicated in the web site information, UPL payments to Critical Access Hospitals (CAH) are scheduled to be released on July 9, 2013. For hospitals other than CAHs for the UPL program, payment will depend on the receipt of an IGT from the governmental entity affiliated with your hospital. Data related to final DSH eligibility and payment data for SFY 2013 is also available on the Department's web site at www.dch.georgia.gov by selecting options for "Providers", "Provider Types", "Hospital Providers", and "Indigent Care Trust Fund". Please note that the final DSH data will present some changes from the preliminary data previously posted on the Department's web site in January 2013.

In order to assure that the timely receipt of intergovernmental transfers can be confirmed, a Notice of Intent to Transfer **must be submitted** by Friday, June 21, 2013 to document the expected method of transfer. If an IGT is not received by noon on Tuesday, July 2, 2013, the associated UPL and DSH payment will be delayed until later this year.

This payment will be issued by EFT to the bank account previously used for UPL and DSH disbursements to your facility. Typically, there is a 2 to 3 day delay between when EFT transactions are initiated and when the funds are deposited into a provider's bank account. Allowing for such a delay, this payment should post to your facility's bank account on or before July 12, 2013. If there has been any change to your facility's banking information, please complete the appropriate vendor form located on our website and forward information by June 21, 2013, to:

Ms. Linda Parson
lpardon@dch.ga.gov
Accounting Manager
Fax to (770) 344-4208

If you have any questions about this notice, please contact Annetta Smith at (404) 463-6669.

Attachment

